

The Department’s Proposed Changes to the 2nd Draft of the Qualified Allocation Plan As of January 21, 2019

Existing Section	Existing Language in 1 st Draft (November 30, 2018)	Proposed Language in Final Draft (January 21, 2019)	Action	Rationale
F.1 Nonprofit Set-Aside	CDA agrees to satisfy this federal requirement first by making awards, consistent with the scores determined in accordance with the Guide, to the top-rated projects in which 100% of the controlling interest is held by nonprofit organizations.	CDA agrees to satisfy this federal requirement first by making awards, consistent with the scores determined in accordance with the Guide, to the top-rated projects in which 100% of the controlling interest is held by nonprofit organizations <u>and next to the top-rated projects in which 51% or more of the controlling interest is held by nonprofit organizations.</u>	Language added.	Language added to clarify the secondary priority of projects with at least 51% nonprofit ownership over joint ventures when meeting the nonprofit set aside requirements.
F.2 Other Set-Asides	<p>“In addition to the required Non-Profit Set-Aside, the Department will establish a set-aside of up to \$1.5 million of 9% tax credits in the 2019 Competitive Funding Round to fund one (1) Permanent Supportive Housing (PSH) project (the “PSH Set-Aside”). Tax Credits from the PSH Set-Aside will be awarded to the highest scoring project that qualifies as a PSH project (as detailed below), regardless of the application’s overall ranking in the Competitive Funding Round. PSH applications may also be scored and receive an allocation of credits from the general pool.</p> <p><u>Permanent Supportive Housing Criteria:</u></p> <p>To be eligible for an allocation of credits from the PSH Set-Aside, the project must comply with the following minimum criteria.</p> <p>1. 50% or more of all units must be identified as PSH units meaning that</p>	<p>Modify the language as follows (see underlined text):</p> <p>“In addition to the required Non-Profit Set-Aside, CDA will establish a set-aside of up to \$1.5 million of competitively allocated LIHTC in the 2019 Competitive Funding Round to fund one (1) Permanent Supportive Housing (PSH) project (the PSH Set-Aside). <u>LIHTC from the PSH Set-Aside will be awarded to the project that qualifies as a PSH project and receives the highest cumulative Permanent Supportive Housing Set-Aside Score (as detailed below). If an application for the PSH Set-Aside does not receive an allocation from the PSH Set-Aside, the application will then be reviewed in accordance with the requirements for all other applications in the Competitive Funding Round. If no eligible applications are received or the full amount of the PSH Set-Aside is not awarded in the 2019 Competitive</u></p>	Language added.	Revisions made in response to comments received. Revisions include a separate PSH scoring protocol for the purposes of awarding PSH Set Aside

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	<p>the units are affordable at 30% of AMI and serve residents eligible for supportive services.</p> <ol style="list-style-type: none"> The project must have a commitment at the time of application for rent subsidy for a minimum of 50% of the PSH units. The rent subsidy must cover difference between 30% of the resident's income and the fair market rent for the unit. At the time of application, the project must provide a letter of support from the applicable Continuum of Care (CoC). The letter must outline the relationship the project will have with the CoC regarding the coordinated entry system, referral services, supportive services, and data sharing. The project must provide a Supportive Services Plan (SSP) acceptable to the Department. The SSP must be unique to the project, provide service on site, be accepted by the applicable CoC, and address the following: <ol style="list-style-type: none"> Populations to be served; Sources of funding for all supportive services and how the supportive services will be sustained over the 40-year extended use period; Formal and informal methods that will be used to evaluate the success of the SSP in meeting the individual needs of the residents, addressing the overall issues of homelessness and how this information will be conveyed to the Department; and Specific services to be provided, including all of the following <ol style="list-style-type: none"> Identification of partnerships with qualified service-provider agencies; Methods to assess resident needs and develop a plan for service delivery; How transit will be provided to off-site services and referral entities; Memorandum of understanding with all applicable local service providers; Methods to monitor and evaluate service delivery and outcomes; and 	<p>Funding Round, the PSH Set-Aside shall revert to the general pool in accordance with Section F.3 below.</p> <p><u>Permanent Supportive Housing Criteria:</u> To be eligible for an allocation of LIHTC from the PSH Set-Aside, the project must comply with the following minimum criteria.</p> <ol style="list-style-type: none"> <u>The project must meet all threshold requirements as detailed in the Guide.</u> <u>No more than 50% of all units</u> may be identified as PSH units meaning that the units are affordable at 30% of AMI and serve residents eligible for supportive services. <u>The project must achieve minimum scoring under the Guide in the following categories:</u> <ol style="list-style-type: none"> <u>4.1 – Capacity of Development Team – minimum score of 40 of 74 possible points;</u> <u>4.3 – Transit Oriented Development (TOD) – minimum score of 4 of 8 possible points; and</u> <u>4.6 – Development Quality Standards – minimum score of 25 of 31 possible points.</u> The project must have a commitment at the time of application for <u>project-based rental subsidy with a term of at least fifteen (15) years</u> for a minimum of 50% of the PSH units. The rent subsidy must cover the difference between 30% of the resident's income and the fair market rent for the unit. <u>Project-based rental assistance may be provided by a local public housing authority, USDA, or other such project-based assistance.</u> At the time of application, the project must provide a letter of support from the applicable Continuum of Care (CoC). The letter of <u>support</u> must outline the relationship the project will have with the CoC regarding the coordinated entry system, referral services, supportive services, and data sharing. The project must provide a Supportive Services Plan (SSP) acceptable to CDA. The SSP must be unique to the project, provide services on site, be accepted by the applicable CoC, and address the following: <ol style="list-style-type: none"> Populations to be served; 		<p>tax credits, minimum scoring requirements in several categories, and a cap of not more than 50% of units in the project designated as PSH.</p>
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	<p>vi. Methods to provide assistance in applying for Medicaid and other benefits to ensure the needs of residents are met.</p> <p><u>Permanent Supportive Housing Set-Aside Scoring:</u> A project funded from the PSH Set-Aside must achieve minimum scoring in the following categories: 4.1 – Capacity of Development Team – minimum score of 40 of 74 possible points. 4.3 – Transit Oriented Development (TOD) – minimum score of 4 of 8 possible points. 4.6 – Development Quality Standards – minimum score of 25 of 31 possible points.”</p>	<p>b. Sources of funding for all supportive services and how the supportive services will be sustained over the 40-year extended use period;</p> <p>c. <u>The tenant referral and selection process that evidences low barriers to access and entry for the PSH units;</u></p> <p>d. Formal and informal methods that will be used to evaluate the success of the SSP in meeting the individual needs of the residents, addressing overall issues of homelessness and how this information will be conveyed to CDA; and</p> <p>e. Specific services to be provided, including the following</p> <ol style="list-style-type: none"> Identification of partnerships with qualified service-provider agencies; Methods to assess resident needs and develop a plan for service delivery; How transit will be provided to off-site services and referral entities; Memorandum of understanding with all applicable service providers; Methods to monitor and evaluate service delivery and outcomes; and Methods to provide assistance in applying for Medicaid and other benefits to ensure the needs of residents are met. <p><u>Permanent Supportive Housing Set-Aside Scoring:</u> <u>All applications for the PSH Set-Aside that meet the minimum criteria above will be reviewed and assigned a PSH Score as follows (148 maximum points):</u></p> <ul style="list-style-type: none"> • <u>Guide Section 4.1 – Capacity of Development Team (74 maximum points)</u> • <u>Guide Section 4.3 – Transit Oriented Development (TOD) (8 maximum points)</u> • <u>Guide Section 4.6 – Development Quality (31 maximum points)</u> • <u>PSH Set-Aside Units (35 maximum points):</u> 		
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F.3 Other Set-Asides	N/A	“Other than the required Non-Profit Set-Aside, set-aside amounts shall have an expiration date established by CDA, at which time uncommitted LIHTC will revert to the general pool of LIHTC available to all qualified projects.”	New section number.	The PSH Set-Aside language was added to a new section.																						